

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

AMERICAN ALLIANCE FOR
EQUAL RIGHTS,

Plaintiff,

v.

HIDDEN STAR,

Defendant.

No. 1:24-cv-128-DII

STIPULATION OF DISMISSAL

Per Rule 41(a)(1)(A)(ii), the parties stipulate to the following:

1. Plaintiff filed this suit on February 5, 2024, challenging a program run by Defendant called “Galaxy Grants.” *See* Dkt.1. That program awards winning business owners cash prizes.

2. Contestants who want to get Galaxy Grants must “[a]gree to the Terms and Conditions” on Defendant’s website. *Galaxy Grants* (archived Feb. 15, 2024) perma.cc/N2JT-L9Q7. When Plaintiff sued, one of those terms and conditions stated that contestants must be “a confirmable ethnic minority or female.” *Terms & Conditions* (archived Feb. 15, 2024), perma.cc/B4NQ-XS4P. Defendant also stated elsewhere that Galaxy Grants were available only to racial minorities and women. *E.g., FAQs* (archived Feb. 16, 2024), perma.cc/C7AD-NR2S (“for minority and women owned businesses”); *Galaxy of Stars* (archived May 16, 2021), tinyurl.com/54rmtxk6 (“Exclusively for Minority or Women owned businesses”); *Galaxy of Stars* (Mar. 9, 2021), tinyurl.com/4mf4y93h (same); *FAQs* (“Who is eligible? All minority and women entrepreneurs and business

owners.”); FundId, *Galaxy Grants* (archived Feb. 16, 2024), perma.cc/NR7T-8N6Z (“Minority or Women entrepreneurs”).

3. According to Defendant’s counsel, Defendant did not (and will not) consider race when determining who can apply for, or receive, Galaxy Grants. Once all applications are received, grants are awarded based on a random-selection device. Defendant has agreed that it will continue to use a random selection device to award these grants. Defendant did not (and will not in the future) consider or verify the race or sex of applicants or winners.

4. Defendant will revise its terms and conditions to remove the statement that the contest is open only to individuals who are “a confirmable ethnic minority or female.”

5. Defendant will revise its FAQs to remove the phrase “for minority and women-owned businesses” from the sentence “HOW CAN I HEAR ABOUT NEW GALAXY GRANTS FOR MINORITY AND WOMEN OWNED BUSINESSES?” It will also remove the Question “WHO IS ELIGIBLE?” along with the corresponding Answer in the FAQs.

6. Defendant will delete its March 9, 2021 and May 16, 2021 Facebook posts entitled “Free Grants to Grow Your Business.”

7. Defendant will request that FundID remove the phrase “Exclusively for minority and women entrepreneurs” from its description on FundID’s website.

8. Defendant will also revise its entry form to allow contestants to select “prefer not to say” when asked for their race or ethnicity when applying for Galaxy Grants.

9. This case is hereby dismissed, with both sides to bear their own fees and costs.

Dated: February 26, 2024

Respectfully submitted,

/s/ Gregg J. Costa

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CERTIFICATE OF SERVICE

I e-filed this stipulation, which will email everyone requiring service.

Dated: February 26, 2024

/s/ Cameron T. Norris